

## Message Text

UNCLASSIFIED

PAGE 01 LONDON 00910 01 OF 02 201214Z

10

ACTION EUR-12

INFO OCT-01 EB-07 EA-09 ISO-00 SP-02 AID-05 NSC-05 CIEP-02

TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00 FRB-01

INR-07 IO-11 NEA-10 NSAE-00 OPIC-06 LAB-04 SIL-01

PA-02 PRS-01 USIA-15 SAJ-01 SAM-01 ( ISO ) W

----- 053720

R 201147Z JAN 76

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 8257

INFO AMEMBASSY BONN

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TOKYO

USMISSION EC BRUSSELS

USMISSION OECD PARIS

USDOC WASHDC

UNCLAS SECTION 01 OF 02 LONDON 00910

DEPARTMENT PASS TREASURY AND FRB

E.O. 11652: N/A

TAGS: EFIN, UK

SUBJECT: UK TRADE AND CURRENT ACCOUNT IN DECEMBER AND  
FOR THE YEAR 1975.

SUMMARY: IN DECEMBER, THE U.K. CURRENT ACCOUNT IS ESTI-  
MATED TO HAVE BEEN IN DEFICIT BY 79 MILLION POUNDS (S.A.),  
AN IMPROVEMENT OF 88 MILLION POUNDS OVER THE NOVEMBER  
DEFICIT OF 165 MILLION POUNDS (REVISED). THE VISIBLE  
TRADE DEFICIT OF 199 MILLION POUNDS (S.A.) WAS COMPOSED  
OF A 320 MILLION POUND DEFICIT IN PETROLEUM AND RELATED  
PRODUCTS AND A 121 MILLION POUND SURPLUS IN NON-OIL RE-  
LATED GOODS. PROVISIONAL ESTIMATES SHOW EXPORTS OF 1,767  
MILLION POUNDS (S.A., F.O.B.), AND IMPORTS OF 1,966 MIL-  
LION POUNDS (S.A., F.O.B.). THE INVISIBLES ACCOUNT  
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 LONDON 00910 01 OF 02 201214Z

SHOWED AN ESTIMATED SURPLUS OF 120 MILLION POUNDS. FOR

THE YEAR AS A WHOLE, THE CURRENT ACCOUNT DEFICIT WAS 1,687 MILLION POUNDS, AN IMPROVEMENT OF 1,981 OVER THE 1974 DEFICIT OF 3,668 MILLION POUNDS. THE MAJOR IMPROVEMENT RESULTED FROM THE SIZEABLE REDUCTION IN NON-OIL RELATED TRADE DEFICIT WHICH SHOWED A DEFICIT OF ONLY 89 MILLION POUNDS COMPARED TO 1,811 MILLION POUNDS IN 1974.

END SUMMARY.

1. VISIBLE TRADE. THE BALANCE ON VISIBLE TRADE SHOWED AN IMPROVEMENT OF 88 MILLION POUNDS (S.A.) IN THE OVERALL BALANCE BETWEEN NOVEMBER AND DECEMBER. A 133 MILLION POUND SWING IN NON-OIL RELATED TRADE FROM A 12 MILLION POUND DEFICIT IN NOVEMBER TO A 121 MILLION POUND SURPLUS IN DECEMBER WAS PARTIALLY OFFSET BY A 45 MILLION POUND INCREASE IN THE NET TRADE DEFICIT IN PETROLEUM AND PETROLEUM RELATED PRODUCTS. IN VOLUME TERMS, EXPORTS INCREASED BY ABOUT 7.0 PERCENT FOLLOWING AN EXCEPTIONALLY LARGE DECLINE IN NOVEMBER WHILE IMPORTS WERE DOWN BY 3.5 PERCENT. HOWEVER, THE TERMS OF TRADE INDEX FELL BY 1.8 PERCENT AS THE IMPORT UNIT VALUE INDEX INCREASED BY 2.5 PERCENT WHILE THE EXPORT UNIT INDEX ROSE BY 0.7 PERCENT, REFLECTING IN PART, THE CONTINUING DEVALUATION OF STERLING.

## 2. TRADE VOLUME AND TERMS OF TRADE (MONTHLY AVERAGE)

### A. UNIT VALUES

(B/P BASIS; 1970 EQUALS 100; N.S.S.)

	EXPORTS	IMPORTS	TERMS OF TRADE
1974	162.7	217.3	74.9
1975	197.7	246.7	80.1
1975 LST QU.	184.9	239.7	77.1
2ND QU.	193.4	240.6	80.4
3RD QU.	202.4	246.7	82.0
4TH QU.	209.9	259.8	80.8
JULY	199.8	243.8	82.0
AUGUST	202.5	247.2	81.9
SEPT.	204.9	249.1	82.3
OCT.	207.2	254.4	81.5
NOV.	210.5	259.3	81.2
DEC.	211.9	265.8	79.7

PERCENTAGE CHANGE - 4TH QUATER OVER 3RD QUATER:

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 LONDON 00910 01 OF 02 201214Z

PLUS 3-1/2 PLUS 5-1/2 MINUS 1-1/2

### B. VOLUME (MONTHLY AVERAGE)

(B/P BASIS; 1970 EQUALS 100, S.A.)

	EXPORTS	IMPORTS	
1974	130.1	135.4	
1975	126.8	126.4	
1975 FIRST QUARTER	130.9	126.8	
SECOND QUARTER	123.9	122.2	

THIRD QUARTER	121.9	127.9
FOURTH QUARTER	130.4	128.8
JULY	124.1	132.7
AUGUST	117.3	1250
SEPTEMBER	124.2	125.9
OCTOBER	132.6	130.9
NOVEMBER	124.9	130.0
DECEMBER	133.7	125.6

PERCENTAGE CHANGE - 4TH QUARTER OVER 3RD QUARTER:

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 LONDON 00910 02 OF 02 201213Z

10

ACTION EUR-12

INFO OCT-01 EB-07 EA-09 ISO-00 SP-02 AID-05 NSC-05 CIEP-02

TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00 FRB-01

INR-07 IO-11 NEA-10 NSAE-00 OPIC-06 LAB-04 SIL-01

PA-02 PRS-01 USIA-15 SAJ-01 SAM-01 ( ISO ) W

----- 053735

R 201147Z JAN 76

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 8258

INFO AMEMBASSY BONN

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TOKYO

USMISSION EC BRUSSELS

USMISSION OECD PARIS

USDOC WASHDC

UNCLAS SECTION 02 OF 02 LONDON 00910

PLUS 7 PLUS 1/2

3. IMPORTS AND EXPORTS

VISIBLE TRADE

(B/P BASIS; IN MILLIONS OF POUNDS, S.A.)

EXPORTS (FOB)    IMPORTS (FOB)    VISIBLE BAL.

1974	15,886	21,120	MINUS 5,234
1975	18,783	21,994	MINUS 3,211
1975 LST QU	4,534	5,395	MINUS 860
2ND QU.	4,464	5,142	MINUS 678
3RD QU.	4,642	5,607	MINUS 965
4TH QU.	5,143	5,851	MINUS 708
JULY	1,564	1,926	MINUS 363
AUGUST	1,492	1,875	MINUS 383
SEPTEMBER	1,586	1,806	MINUS 220

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 LONDON 00910 02 OF 02 201213Z

OCTOBER	1,739	1,961	MINUS 222
NOVEMBER	1,637	1,924	MINUS 287
DECEMBER	1,767	1,966	MINUS 199

PERCENTAGE CHANGE 4TH QUARTER OVER 3RD QUARTER:

PLUS LL	PLUS 4-1/2
---------	------------

4. THE INVISIBLE TRADE AND CURRENT ACCOUNT. THE BALANCE ON SERVICES AND OTHER TRANSACTIONS IS ESTIMATED TO HAVE BEEN IN SURPLUS BY 120 MILLION POUNDS IN DECEMBER. THUS THE VISIBLE TRADE DEFICIT OF 199 MILLION POUNDS COMBINED WITH THE ESTIMATED INVISIBLES SURPLUS YIELDED A DEFICIT IN CURRENT ACCOUNT OF 79 MILLION POUNDS. NOTE THAT THERE HAVE BEEN EXTENSIVE REVISIONS IN MONTHLY AND QUARTERLY ESTIMATES OF U K. CURRENT ACCOUNT DATA BOTH IN VISIBLE AND INVISIBLE TRADE. FOR THE YEAR AS A WHOLE, THE DEFICIT ON CURRENT ACCOUNT WAS ESTIMATED AT 1,687 MILLION POUNDS, AN IMPROVEMENT OF 1,981 MILLION POUNDS OVER THE 1974 LEVEL. THE VISIBLE TRADE DEFICIT OF 3,211 MILLION POUNDS WAS COMPOSED OF A DEFICIT OF 3,122 MILLION POUNDS AND 89 MILLION POUNDS ON OIL AND NON-OIL TRADE RESPECTIVELY. THE BALANCE ON INVISIBLES IS ESTIMATED TO HAVE BEEN IN SURPLUS BY 1,524 MILLION POUNDS.

## CURRENT ACCOUNT

(MILLIONS OF POUNDS, S.A.)

1974		MINUS 3,668
1975		MINUS 1,687
1975	FIRST QUARTER	MINUS 425
	SECOND QUARTER	MINUS 337
	THIRD QUARTER	MINUS 577
	FOURTH QUARTER	MINUS 348
	JULY	MINUS 234
	AUGUST	MINUS 253
	SEPTEMBER	MINUS 91
	OCTOBER	MINUS 102
	NOVEMBER	MINUS 167
	DECEMBER	MINUS 79

SPIERS

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** GNP, TRADE DATA  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 20 JAN 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976LONDON00910  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760021-0199  
**From:** LONDON  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19760141/aaaabkbb.tel  
**Line Count:** 224  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EUR  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 5  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** blochd0  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 21 JUL 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <21 JUL 2004 by castelsl>; APPROVED <09 NOV 2004 by blochd0>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** UK TRADE AND CURRENT ACCOUNT IN DECEMBER AND FOR THE YEAR 1975.  
**TAGS:** EFIN, UK  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006